



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

October 10, 1995

TO: Board of Oil, Gas and Mining

THRU: James W. Carter, Director *JWC*

THRU: D. Wayne Hedberg, Permit Supervisor *DWH*

FROM: Anthony A. Gallegos, Senior Reclamation Specialist *aag*

RE: Request for Board Approval, Amount and Form of Replacement Reclamation Surety, Continental Lime Inc., Cricket Mountain Quarry, M/027/006, Millard, County, Utah

The Division seeks Board approval of the amount and form of replacement surety provided by Continental Lime Incorporated for the Cricket Mountain Quarry, located in Millard County, Utah. The form of surety is a Surety Bond, with Fireman's Fund Insurance Companies for the amount of \$300,400. This item is before the Board due to a change in surety company and a subsequent escalation adjustment in the surety amount requested by the Division. There have been no changes to the mining or reclamation plan for this operation since the last Board presentation for this operation in October 1993.

\$330,400 aag

Attached for your review are copies of the following documents:

1. Summary checklist
2. Location map
3. Executive summary
4. Reclamation surety estimate
5. Reclamation Contract (From MR-RC)
6. Surety bond & rider (Attachment B - MR Form 5)

Thank you for your time and consideration of this request.

Attachments
M027006.brd



DOGM MINERALS PROGRAM

Checklist for Board Approval
of
FORM AND AMOUNT OF SURETY

Prepared October 11, 1995

Company Name Continental Lime Inc.
 Mine Name Cricket Mountain Quarry
 File No. M/027/006

Items	Provided		Remarks
	Yes	No	
Executive Summary	X		
Location Map	X		
Reclamation Bond Estimate	X		
Signed Reclamation Contract		X	Signed copies to be received by Board Hearing
Signed Power of Attorney/ Affidavit of Qualification	X		
Bond/Reclamation Surety	X		
Surety Sign Off (Other State/Federal Agencies)		X	Joint Agency Surety (DOGM/BLM); \$\$ amount received is higher than BLM regs allow

EXECUTIVE SUMMARY

Prepared October 25, 1995

Mine Name: <u>Cricket Mountain Quarry</u>	I.D. No: <u>M/027/006</u>
Operator: <u>Continental Lime Incorporated</u>	County : <u>Millard</u>
<u>P. O. Box 669</u>	New/Existing: <u>Existing (original approval-1/6/81)</u>
<u>Delta, Utah 84624</u>	Mineral Ownership: <u>BLM/State/patented lands</u>
	Surface Ownership: <u>BLM/State/patented lands</u>
Telephone: <u>(801) 864-3823</u>	Lease No.(s): <u>ML-355572</u>
Contact Person: <u>Russell Dobson</u>	Permit Term: <u>Life of mine</u>

Life of Mine: 1999 (unless additional reserves permitted)

Legal Description: SE1/4 and SW1/4 Section 25, NE1/4 and NW1/4 Section 36, Township 21 South, Range 10 West, SLB&M, Millard County, Utah

Mineral(s) to be Mined: High-grade calcium limestone

Mining Methods: Conventional bench type mining methods using drill and blast procedures to produce quarry run sized limestone.

Acres to be Disturbed: 169 acres proposed

Present Land Use: wildlife habitat, livestock grazing, recreation, and mining

Postmining Land Use: same as above

Variances from Reclamation Standards (Rule R647) Granted: R647-4-111(7) Highwalls, R647-4-111(8) Roads

Soils and Geology:

Soil Description: Lithic Xerollic Calciorthids - Xerollic Calciorthids Association, mildly - strongly alkaline, and range from stony - sandy loams. Well - somewhat excessively well-drained, permeability - moderate to rapid, runoff - medium to very rapid, and sediment production - moderate

pH: 8.4 - 8.6

Special Handling Problems: Desert soils, composed of silty clays and fine sandy silts, exist at the mine site, and do not pose any special handling problems. However, due to the rocky nature of the site, few native soils have been salvaged for the purpose of revegetation. Fines produced from the crushing of limestone will be used for the reconstruction of soils, over portions of the site.

Geology Description: Geology at the site consists of: alluvial and colluvial sands and gravels, shales and low-grade limestone, and high grade limestone. The sand and gravel material is a Quaternary Age lake terrace deposit. The shales and limestones are of the Cambrian Age and are divided into four units: Marjum Formation, Swasey limestone, Whirlwind formation, and Dome Limestone.

Hydrology:

Ground Water Description: Ground water is encountered at approximately 600 feet below the lowest elevation at the quarry. The quality of the water is very poor. It is saline and is used for dust control and some applications at the processing plant.

Surface Water Description: No surface water is found in the immediate vicinity of the proposed quarry or any of the associated facilities. Runoff from rain and snow melt follows the drainage of the normally dry Beaver River. North of the Cricket Mountains this drainage joins the Sevier River approximately 20 miles from the inlet to Sevier dry lake, a 200,000 acre mud flat.

Water Monitoring Plan: not applicable

Ecology:

Vegetation Type(s); Dominant Species: Scattered pinyon and juniper trees are located on the east slopes of the Cricket Mountains in the vicinity of the proposed quarry. The remainder of the area is flatland covered with cold desert vegetation, including: sagebrush, saltbrush, galleta grass, Indian ricegrass, etc. Halogeton has invaded disturbed areas such as road sides and gravel pits. Penstemon nanus, a plant currently considered for threatened species listing is found in several locations along the access/haulage road.

Percent Surrounding Vegetative Cover: very sparse < 5%, 60% of the land effected is bare rock.

Wildlife Concerns: Wildlife density on the subject lands is low. Reptiles, including a variety of lizards and snakes, are most frequently sighted. Birds commonly nest in the area include: horned larks, and other songbirds, mourning doves, ravens, ferruginous hawks, and red-tailed hawks. Golden and bald eagles, rough-legged hawks and marsh hawks often migrate into this area for wintering. Deer have been observed in the area, although their numbers are low. Approximately 50 antelope inhabit the Cricket Mountain area. Others animals include: coyote, kit fox, bobcat, jackrabbits, and rodents. No critical or otherwise important nesting or wintering areas occur in this general area. Continental Lime is working with Utah DWR in establishing supplemental, adjacent area, water sources (guzzlers) for local wildlife usage.

Surface Facilities: The mine operation will include approximately 160 acres of: quarries, haulage and access roads, topsoil and overburden storage areas, and an on-site crushing and screening plant.

Mining and Reclamation Plan Summary:

During Operations:

The quarry operation consists of removing high calcium limestone from an outcropping deposit, crushing and sizing the stone at the quarry, and transporting the crushed and sized limestone to an existing processing plant located 6.5 miles east of the quarry. The processing plant consists of rotary kilns which produce quicklime by high temperature calcination of the limestone. Quicklime is the ultimate commercial product from the operations.

The current production rate at the mine is, 6,700 tons per day of high calcium lime, and 2,700 tons per day of overburden material. Total rock removed per year is approximately 2,350,000 tons.

The mine site is currently permitted under the Utah Mined Land Reclamation Act, the offsite processing plant site is not.

After Operations:

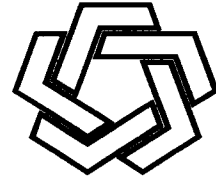
All portions of the mine site will be reclaimed except for @55 acres, which includes: portions of the quarry highwalls (approximately 10 acres), and 6.2 miles of access/haulage road (approximately 45 acres). Limestone fines will be applied to the benches of the quarry before seed application. Steep working faces (highwalls) will not be reclaimed.

There are no buildings or other structures at the quarry site which will require demolition at the end of mine life.

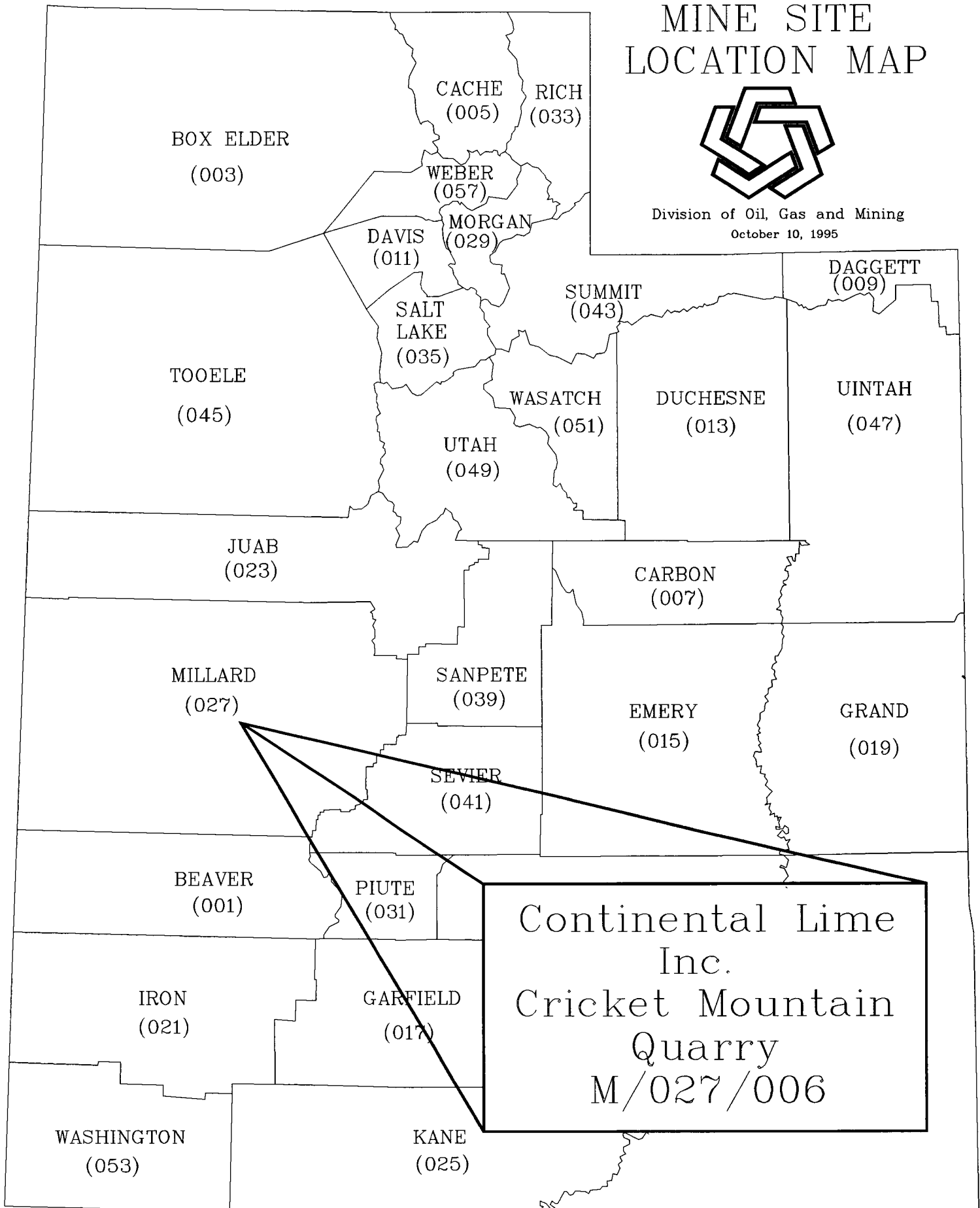
Surety:

Amount: \$330,400.00 in 2000 dollars
Form: Surety Bond (Firemans Fund Insurance Company #SL 111 1905 8169)
Renewable Term: 5 years

MINE SITE LOCATION MAP



Division of Oil, Gas and Mining
October 10, 1995



ATTACHMENT "A"

CONTENTAL LIME INC.
Operator
M/027/006
Permit Number

CRICKET MOUNTAIN QUARRY
Mine Name
MILLARD County, Utah

The legal description of lands to be disturbed is:

Mining Claim "INA" No. 41 - SE $\frac{1}{4}$, Section 25, T21S, R10W, SLB&M
Mining Claim "INA" No. 42 - " " " " " "
Mining Claim "INA" No. 43 - " " " " " "
Mining Claim "INS" No. 45 - " " " " " "
Mining Claim "INA" No. 46 - " " " " " "
Mining Claim "INA" No. 47 - " " " " " "
Mining Claim "INA" No. 48 - " " " " " "

Mining Claim "INA" No. 36 - SW $\frac{1}{4}$ Section 25, T21S, R10W, SLB&M
Mining Claim "INA" No. 39 - " " " " " "
Mining Claim "INA" No. 40 - " " " " " "

State Lease ML-35572 - W $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 36, T21S, R10W, SLB&M

The boundaries of the disturbed areas under Contract and Bond are shown on the attached "Figure 4.0-2"

SURETY ESTIMATE UPDATE

last update 08/22/95

Continental Lime, Incorporated

filename M27-06UP.WB2

Cricket Mountain Quarry M/027/006 Millard County

Prepared by Utah Division of Oil, Gas & Mining

DESCRIPTION:

- Reclamation Estimate last revised 6/14/93
- This update adjusts the estimate for actual escalation from 1993 to 1995 and
- then escalates the 1995 amount for projected escalation from 1995 to 2000
- Reclamation Estimate base total in 1993 dollars is \$273,169
- Escalation factors through 1994 are actual Means Historical Cost Indices
- Total disturbed area = 142.9 ACRES

CALCULATIONS	YR	ESCAL FACTOR	BOND AMOUNT	
$F = P(1 + i)^n$	1989	0.0177	\$0	
	1990	0.0077	\$0	
F = Future Sum	1991	0.0127	\$0	
P = Present Sum	1992	0.0221	\$0	
i = Escalation Factor	1993	0.0261	\$273,169	base amount
n = number of periods	1994	0.0321	\$281,938	
	1995	0.0268	\$289,494	
Three Yr Average = 2.68%	1996	0.0268	\$297,252	
Used to Project 5 Yrs	1997	0.0268	\$305,218	
Into the Future	1998	0.0268	\$313,398	
From the Year 1995	1999	0.0268	\$321,797	
	2000	0.0268	\$330,422	

| **Updated Surety Amount Rounded (2000 \$)** | | | **\$330,400** | |
| Average cost per acre = | 2,312 | (\$/ACRE) | | |

RECLAMATION ESTIMATE

Continental Lime, Inc.

last revision 06/14/93

Cricket Mountain Quarry

filename M27-06.WQ1

M/027/006

Millard County

Prepared by Utah State Division of Oil, Gas & Mining

Reclamation Details

- This estimate is based on Continental Lime, Inc.'s 2/15/93 response letter
- All quantities & unit costs from Continental Lime's 2/15/93 estimate were used
- The 1992 factor of 1.27% was used in the previous estimate
- The escalation factor for projecting forward is currently 1.42% [not 1.27%]
- The projecting factor is an average of the previous 3 yrs escalation
- NOTE-This subtotal differs from the subtotal in Continental's estimate
- It appears that the Continental subtotal of \$245,335 was incorrect
- Estimated total disturbed acreage = 142.9 acres

Activity	Area	\$
Mobilization/demobilization		6,000
Crusher site reclamation	17 acre	28,620
Rejects stockpile reclamation	27.3 acre	30,290
West waste dump reclamation	20.7 acre	53,120
North waste dump reclamation	1.3 acre	2,230
Cricket Mountain Quarry reclamation	70 acre	106,705
Unstable highwall area reclamation	2 acre	14,640
Explosive magazines & road reclamation	0.7 acre	640
Topsoil stockpiles & misc. roads reclamation	3.9 acre	6,090
	Subtotal	248,335
	Add 10% contingency	24,834
	1993-\$ Subtotal	273,169
	Add 5 yr escalation at 1.42%	19,954
	Total 1998-\$	293,122

Rounded Total in 1998-\$

\$293,100

Average cost per acre = \$2,051

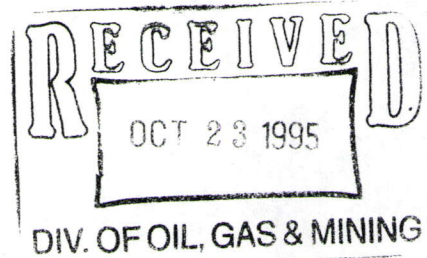
File Number M/027/006

Effective Date 10/25/95

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

*replaced
original
returned to operator
6-5-97
6-10-97*

RECLAMATION CONTRACT
---ooOoo---



For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	<u>M/027/006</u>
(Mineral Mined)	<u>High Calcium Limestone</u>
"MINE LOCATION":	
(Name of Mine)	<u>CRICKET MOUNTAIN QUARRY</u>
(Description)	<u>32 miles southwest of Delta, UT,</u> <u>then 6.5 miles west of Hwy 257,</u> <u>Millard County, UT</u>
"DISTURBED AREA":	
(Disturbed Acres)	<u>169</u>
(Legal Description)	<u>(refer to Attachment "A")</u>
"OPERATOR":	
(Company or Name)	<u>CONTINENTAL LIME INC.</u>
(Address)	<u>670 East 3900 South</u> <u>Suite #200</u> <u>Salt Lake City, UT 84107</u>
(Phone)	<u>(801) 262-3942</u>

"OPERATOR'S REGISTERED AGENT":

(Name)

John S. Kirkham

(Address)

201 South Main

Suite 1100

Salt Lake City, UT 84111

(Phone)

(801) 578-6956

"OPERATOR'S OFFICER(S)":

John B. Jordon - President

William E. Dodge - Exec. V.P. & COO

Glen A. Bryant - V.P. & Gen'l Mgr.

Wayne J. Wagner - V.P. Finance & Sect'y

"SURETY":

(Form of Surety - Attachment B)

SURETY BOND

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Fireman's Fund Insurance Companies

SL 111 1905 8169

"SURETY AMOUNT":

(Escalated Dollars)

\$330,400.00

"ESCALATION YEAR":

2000 \$'s

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between CONTINENTAL LIME INC the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/027/006 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated November 29, 1979, and the original Reclamation Plan dated November 29, 1979. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as

amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.

14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

VILE PRESIDENT FINANCE
Authorized Officer (Typed or Printed)

[Signature]
Authorized Officer's Signature

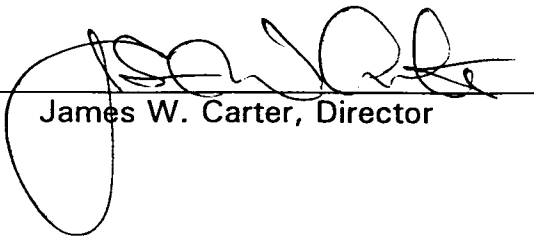
October 10, 1995
Date

SO AGREED this 25th day of October, 1995.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY [Signature]
Dave D. Lauriski, Chairman
Utah State Board of Oil, Gas and Mining

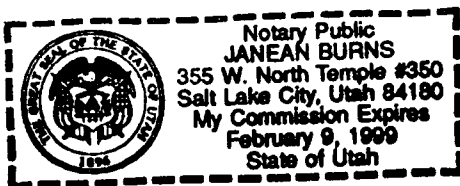
DIVISION OF OIL, GAS AND MINING:

By 
James W. Carter, Director

Oct 25, 1995
Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 25 day of October, 1995, personally appeared before me, who being duly sworn did say that he/~~she~~, the said James W. Carter is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that he/~~she~~ executed the foregoing document by authority of law on behalf of the State of Utah.



Janean Burns
Notary Public
Residing at: Salt Lake County

February 9, 1999
My Commission Expires:

OPERATOR:

CONTINENTAL LIME INC.
Operator Name

By VICE PRESIDENT, FINANCE
Corporate Officer - Position

October 20, 1995
Date

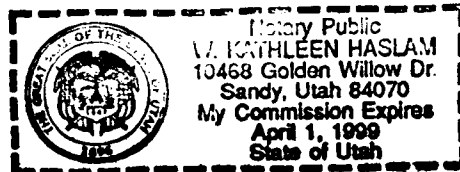
[Signature]
Signature

STATE OF UTAH)
COUNTY OF SALT LAKE) ss:

On the 20th day of October, 19 95, personally
appeared before me WAYNE WAGNER who
being by me duly sworn did say that he/she, the said WAYNE WAGNER
is the VICE PRESIDENT FINANCE of CONTINENTAL LIME INC.
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
WAYNE WAGNER duly acknowledged to me that said
company executed the same.

W. Kathleen Haslam
Notary Public
Residing at: Sandy, Utah

April 1, 1999
My Commission Expires:



RICHFIELD, UTAH 1:100,000 MAP

